C. C. Wu was sent to Mukden to seek an alliance with Marshal Chang Tso-lin. At that time Dr. Sun's idea was to establish the National Government with himself as President, in the Wu-Han Cities (Hankow, Wuchang and Hanyang). But as he naively explained, to an interviewer, the project would only work if Chang Tso-lin "took his orders"—of which there was not the remotest possibility.

The Kwangsi campaign in 1921 resulted in a deficit of 20 million dollars in the Kwangtung budget. But that did not worry Dr. Sun. He continued to issue Provincial Notes without reserves. "We have found that it is not essential to provide a cash reserve nor to promise to redeem money on demand," he explained. So confident was he of his prowess that he told an interviewer to expect him in Peking in the autumn (of 1922). He cherished the illusion that Wu Pei-fu's armies would flee from his own forces as soon as it was known that he was in personal command.

It was during this period that serious labour troubles developed in Canton. Though denying that he fomented them, Dr. Sun showed his hand by unconditionally pardoning a leader of the Seamen's Union who had been convicted of a peculiarly blood-thirsty murder. The Unions were permitted to veto the employment of new and modem machinery, on the ground that it reduced employment. Dr. Sun naively remarked when questioned on this point that the thing to do was

for the capitalists to bring in still more machinery, so as to increase employment!